

m



Directorate of
Intelligence

~~Secret~~

25X1

CIN EA 85-10200

The Philippine Moderate Opposition: Can It Make a Difference?

25X1

An Intelligence Assessment

NOT MICROFILMED
faldout
For Data Entry

~~Secret~~

EA 85-10200
November 1985

Copy 275

Page Denied



**Directorate of
Intelligence**

Secret

25X1

The Philippine Moderate Opposition: Can It Make a Difference?

25X1

An Intelligence Assessment

This paper was prepared by [redacted]
[redacted] Office of East Asian Analysis, with a
contribution by [redacted] Office of Central
Reference. Comments and queries are welcome and
may be directed to the Chief, Southeast Asia
Division. [redacted]

25X1

25X1

25X1

25X1

Secret

*EA 85-10200
November 1985*

Secret

25X1

**The Philippine
Moderate Opposition:
Can It Make a Difference?**

25X1

Key Judgments

*Information available
as of 3 November 1985
was used in this report.*

Since the 1983 Aquino assassination, the moderate opposition has increased its influence in domestic politics and constrained President Marcos's autocratic political style. The moderates, however, are not yet capable of competing on even terms with the ruling party or of pressuring the government to undertake the fundamental reforms that would slow the growth of the Communist insurgency:

- The moderates' numerous parties and "umbrella" organizations remain divided, primarily over the issue of leadership. Internecine squabbles have stymied fund raising and grassroots organization—which remain the strongpoints of Marcos's powerful political machine.
- Rallying primarily around a highly personal anti-Marcos theme, moderate opposition groups have failed to develop comprehensive policy platforms. On the major issue of the US bases, the moderates have waffled in public although some privately acknowledge that their benefits—including financial compensation, employment opportunities, and enhanced regional security—justify continued US military access to the Philippines.
- The opposition so far has failed to attract disaffected members of Marcos's party (KBL) to its ranks.

We believe the moderates are likely to continue to flounder until galvanized into action by the imminence of scheduled elections or by renewed hints from Malacanang of an early election. This in turn means that the opposition will continue to be hampered in efforts to garner support in rural areas or to impress consequential political players—including sympathetic members of the business community—to financially commit to any particular party or individual.

But it would be a mistake, in our view, to gauge the moderates' longer term prospects solely by their organizational failings up to now or the absence of clearly defined policies—misleading benchmarks in a political system long dominated by charismatic personalities. In the wake of President Marcos's August threat to call "snap" elections—a threat he made good on in November—the emergence of Cory Aquino as a potential presidential challenger with the apparent ability to unify the opposition is a positive sign that the opposition could field and support a single candidate and have a chance to defeat President Marcos or some other KBL standard bearer.

Secret


EA 85-10200
November 1985

Secret


25X1

If the moderates can capture control of the government, moreover, we believe they will have a far better chance than the current regime of restoring stability.

Although the moderates, in our judgment, recognize the long-term benefits of continued US access to military facilities in the Philippines and the economic reforms advocated by Manila's international creditors, their nationalistic rhetoric will call for renegotiating military and financial agreements. The moderates are likely to support accelerating reforms in the Philippine military—including retirement of senior officers and attempts to rebuild morale in the officer corps. They have not, however, developed a detailed strategy for dealing with the Communist insurgency.



25X1

Secret

Secret

25X1

Contents

	<i>Page</i>
Key Judgments	iii
The Reawakening	1
A Movement of Consequence . . .	1
In the National Assembly	1
On the Supreme Court	5
In the Streets	5
Putting the Left on Notice	5
. . . But a House Divided	7
What Would It Take To Improve the Opposition's Fortunes?	9
What To Expect	10

25X6

Secret

Secret

25X1

The Philippine Moderate Opposition: Can It Make a Difference?

25X1

The Reawakening

Throughout the 1970s and into the early 1980s, moderate opponents of President Marcos exerted a negligible influence in domestic politics. Nine years of martial law (1972-81) placed Marcos in an unassailable position that left little room for political dissension. Elections were canceled or replaced by predetermined plebiscites, and the rewriting of the Constitution in 1973 consolidated presidential control and almost guaranteed the perpetuation of Marcos's powers. The result was essentially the creation of a one-party state in which opposition ranks were splintered, many of its leaders were jailed while others went into self-imposed exile overseas, and the opposition press was largely quieted by chronic closures and harassment by the government.

A revival for the opposition began with the more open political atmosphere following the lifting of martial law in 1981. Students and press became more openly critical of the Marcos government, and relatively fair National Assembly elections in 1984 and the prospect of local elections in 1986 and national elections in 1987 encouraged the formation of several new parties—including the newly merged PDP-LABAN and the Social Democratic Party (SDP) (see the table). The August 1983 assassination of Benigno Aquino, moreover, gave the legal opposition an opportunity to boost its public profile and the confidence most political observers believe was required to begin challenging Marcos.

The moderates' greatest success came in May 1984 when the opposition surprised both foreign and domestic observers by winning 61 of the 183 contested seats in the elections for the National Assembly—or Batasang Pambansa—a fivefold increase.¹ In our

¹ The moderates now hold 58 seats in the 200-seat National Assembly. Holders of these seats include representatives of the United Nationalist Democratic Organization (UNIDO), the Pilipino Democratic Party-Lakas ng Bayan (PDP-LABAN), the Mindanao Alliance (MA), the Concerned Citizens Aggrupation (CCA), and the Social Democratic Party (SDP). Both the opposition and the KBL have lost several seats through death and disqualification

view, the elections bolstered the moderates' credibility as a domestic political force and gave them a national presence not enjoyed since the early 1970s. Largely successful poll watching efforts by the National Movement for Free Elections (NAMFREL), moreover, buoyed public confidence in the electoral process and further galvanized the commitment of the moderates' newly politicized supporters. Renewed optimism in the belief that Marcos's stranglehold on political power was weakening also bolstered the opposition by encouraging several opposition leaders—such as Jovito Salonga, Sonny Osmena, and Raul Daza—to return to Manila from self-imposed exile overseas.

25X1

25X1

A Movement of Consequence . . .

Although the opposition's relatively modest gains do not threaten the President in the near term, we believe they have contributed to putting Marcos on the defensive as he tries to deal with calls from domestic and foreign critics for economic, political, and military reform. Events of the past year—such as impeachment proceedings initiated against Marcos by the opposition in the National Assembly—also convince us that even if the opposition is unable to capture the presidency in a snap election or in 1987, it can continue to constrain Marcos's autocratic political style, move some of the country's key political and social figures to take stronger public stands for reform, and undercut the appeal of the radical left. In doing so, we believe the moderates will continue to have an impact in several areas.

25X1

25X1

In the National Assembly. Although virtually powerless to prevail in head-to-head votes in the Assembly with the ruling party, the opposition serves as a reminder to Marcos that there are costs to carte

and Marcos has yet to fill 14 out of 17 appointed seats.

25X1

25X1

Secret

Secret

Selected Parties and Organizations of the Philippine Moderate Opposition

	Key Leaders	Comments
Political Parties		
Liberal Party	Eva Estrada Kalaw Jovito Salonga	The LP is widely regarded as a traditional pre-martial-law party that has moved to the left, particularly since the Aquino assassination. The party broke with UNIDO in December 1983 and recently split following a leadership fight between Kalaw and Salonga.
Nacionalista Party	Jose Laurel, Jr.	Founded over 77 years ago, the Nacionalista Party has spawned many politicians now identified as "traditional oppositionists." In recent years, the party has become so closely identified with UNIDO that, in many respects, it no longer represents a distinct political body.
PDP-LABAN	Aquilino Pimentel Ramon Mitra Jose Cojuangco	Organized in 1981 after a merger of the Pilipino Democratic Party and Lakas ng Bayan, PDP-LABAN is more ideologically and less personality oriented than the "traditional style" opposition parties. Its support base is strongest in Mindanao, but it has developed a fairly good following in Manila and elsewhere on Luzon.
Social Democratic Party (SDP)	Francisco Tatad Reuben Canoy	The SDP was organized in late 1981 by Tatad and two other politicians in advance of the 1982 local elections. Although its support base rests mainly in the Bicol, the SDP enjoys greater public exposure than it would otherwise have because of Tatad's national following as a columnist and the election of two party members to the National Assembly in 1984.
Political Coalitions		
United Nationalist Democratic Organization (UNIDO)	Salvador Laurel	A nationwide political alliance with a strong base in the Metro Manila area, UNIDO was founded in 1980 by Jose B. Laurel (brother of Salvador Laurel) and Gerardo Roxas (then president of the Liberal Party). It is currently the largest and most established of the moderate opposition groups. Most of UNIDO's leaders are well-known veteran politicians.
BANDILA	Butz Aquino Teofisto Guingona	BANDILA was organized in May 1985, following the walkout of more moderate forces from the BAYAN Convention. An umbrella organization for "social democratic" groups, BANDILA hopes to develop into a nationwide political movement.
Filipino Social Democratic Movement (FSDM)	Butz Aquino	The FSDM was launched in early August 1985 at a one-day convention in Manila attended by over 100 delegates representing 36 different organizations. Working with BANDILA and PDP-LABAN, the FSDM seeks a "pluralistic coalition government" to replace the Marcos regime.
KAAKBAY	Jose Diokno	The primary goal of this activist group—composed primarily of university professors and students in the Metro Manila area—is political education. KAAKBAY is known for its nationalist—and often militant—stance, but is not believed to be under the influence of the Communist Party.

Secret

Secret

(Continued)

	Key Leaders	Comments
Political Coalitions (continued)		
August Twenty-One Movement (ATOM)	Jose Yap	Organized in the wake of the Aquino assassination, ATOM is an activist coalition involved in many demonstrations and public protests—including the October 1984 transportation strike. Although there has been a cooling off between ATOM and the more radical groups affiliated with the CPP, many political observers believe there is still significant Communist influence in the group.
Justice for Aquino Justice for All (JAJA)	Butz Aquino Jose Diokno	Popular with students and younger activists, JAJA—like ATOM—was founded in response to the Aquino assassination. Despite its less radical orientation and “bourgeois” leadership, JAJA is considered a “tactical ally” by the CPP.
Nonpartisan Organizations Supporting Unification and Free Election Efforts		
Convenor Group	Cory Aquino Jaime Ongpin Lorenzo Tanada	Concern over President Marcos's failing health prompted a number of businessmen and professionals in December 1984 to organize a group to plan a strategy for the opposition in the case of a sudden election—including the naming of a list of potential opposition candidates from which the final ticket would be chosen.
National Unification Committee (NUC)	Cecilia Munoz-Palma	Formed in March 1985, the NUC is a moderate umbrella organization with representatives from the Liberal Party, Nacionalista Party, PDP-LABAN, UNIDO, and eight other regional parties. The NUC has been instrumental in starting organizational activities in preparation for the May 1986 local elections.
National Movement for Free Elections (NAMFREL)	Jose Concepcion, Jr.	An independent civic organization accredited to monitor new voter registration drives in the spring of 1984, NAMFREL is generally credited as the single most important factor in the improved credibility of the National Assembly elections held later that year.
Makati Business Club (MBC)	Enrique Zobel Jaime Ongpin Jose Concepcion, Jr.	The Makati Business Club, established in mid-1982, is an ostensibly apolitical organization of executives founded as a self-appointed “shadow cabinet” to comment on economic policy. Since the Aquino assassination, the Club has become more openly identified with the moderate opposition. Recent issues of the monthly MBC newsletters have included updates on developments in the National Assembly and the Aquino assassination.
Manindigan!	Jaime Ongpin Emanuel Soriano Ramon Del Rosario	Manindigan! (“Stand Up and Be Counted!”) was established by some of the same business leaders in late 1984 in order to encourage more active participation by “middle forces” in the opposition movement.

25X1

Secret

Secret

The Moderates' Potential Support Bases

Opposition activities over the past several years have eroded Marcos's traditional power base and furthered disaffection among potentially powerful constituencies. [REDACTED]

One of the most potentially powerful sources of support for the moderates is the business community. A number of corporate magnates—including Enrique Zobel, Emanuel Soriano, and Jaime Ongpin—form the core of disaffected executives and professionals involved in opposition business groups such as Manindigan! and the Makati Business Club. [REDACTED]

The Church—a powerful institution in this predominantly Catholic country—is openly critical of the Marcos government for its handling of the Aquino-Ver trial, "unjust" economic and political policies, and what it perceives as growing persecution of priests, nuns, and lay workers. Although he has not openly endorsed the opposition, leading prelate Cardinal Jaime Sin is generally viewed as sympathetic to the moderates and the widely read Catholic weekly Veritas represents moderate to radical opposition views. [REDACTED]

The military's previously blind support for Marcos shows signs of weakening. The newly emerging reform movement—led by young flag officers and Philippine Military Academy graduates—has highlighted increasing dissatisfaction with the current government.

[REDACTED]

There are even indications that the opposition has won admirers from Marcos's ruling KBL party. Former Foreign Minister Arturo Tolentino has publicly called for the President's resignation and has been quoted in the press as offering to lead a future opposition ticket against Marcos. We believe other KBL assemblymen—though presently unwilling to cross the President—would defect to the opposition or to a new coalition party in the event that Marcos dies or becomes incapacitated. [REDACTED]

blanche conduct of government policy. Presidential initiatives no longer sail through the Assembly and instead face considerable scrutiny and opposition-fueled public debate, occasionally resulting in modest victories for the opposition. Opposition tactics during the 1985 budget debate, for example, resulted in a \$65 million cut in Marcos's \$3 billion proposal for outlays and produced a public attack on extravagance in the Ministry of Human Settlements—which is controlled by First Lady Imelda Marcos.² The opposition was also able to embarrass Marcos, according to the domestic press, in pointing up irregularities in the enormous sugar industry by calling presidential ally Roberto Benedicto—head of the Sugar Commission—to appear before the Assembly's Foreign Trade subcommittee last April. [REDACTED]

Even the opposition's failed attempt to debate the extraordinary powers granted Marcos under Amendment Six of the Constitution in the Assembly had its costs for the President.³ Prime Minister Virata—in a surprising public statement—joined Political Affairs Minister Perez, Labor Minister Ople, then Foreign Minister Tolentino, and other prominent KBL members in moving closer to the opposition position. At an August National Assembly press corps meeting, moreover, Perez—a staunch Marcos loyalist—called for a nonpartisan approach to resolving the Amendment Six controversy. Private comments to the US Embassy by several ruling party assemblymen suggest that this distancing from Marcos was the result of a turnaround in their own positions and a realization on their part that the Amendment Six issue was a public relations coup for the moderates. [REDACTED]

Although crossing party lines is not frequent, press reports indicate that some KBL members have joined with the opposition on other issues, such as moves to postpone startup operations of the costly Bataan nuclear power plant—the country's first—and calls for investigating military abuses and human rights

² All peso amounts are converted into US dollars at the June 1985 exchange rate of 18.6 pesos per US dollar. [REDACTED]

³ Amendment Six, pushed through a national plebiscite in 1981, allowed Marcos to retain many of the powers he enjoyed during martial law. These include suspension of the writ of habeas corpus for all "crimes against national security," powers of preventative detention, restriction of the media, and control over industrial labor relations. [REDACTED]

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

25X1

Secret

Secret

violations. Embassy officials also report open admiration by a number of KBL assemblymen for the opposition's preparation, performance, and unity in the Assembly—the one venue in which the moderates have displayed an ability to put aside their differences. [redacted]

On the Supreme Court. Opposition offensives over the last year, in our judgment, have emboldened the Supreme Court to challenge the views of the ruling party, particularly in public forums. Although the court is still heavily stacked with close Marcos supporters, the domestic press has noted a “faint but discernible trend” toward judicial independence. Decisions cited by the press to support this view include a unanimous ruling in late 1984 that a military raid on an opposition newspaper was unjustified, an order in December 1984 releasing two prisoners detained under a Preventative Detention Action signed by Marcos, an order allowing an opposition rally despite objections from the military, and another limiting PDP-LABAN leader Pimentel's liability on rebellion charges. More recently, the Supreme Court directed KBL leaders in the Assembly to explain the basis for their dismissal in August of opposition impeachment motions—a surprising move [redacted]

In the Streets. The moderates continue to challenge Marcos through other methods such as demonstrations, rallies, and discussion groups—commonly referred to as “the parliament of the streets.” Members of PDP-LABAN and BANDILA, for example, organized a symbolic “People's Court” on 21 September—the 13th anniversary of the imposition of martial law—to try Marcos on charges of graft and corruption. The legal opposition is distributing copies of their failed impeachment resolution translated into major dialects and have released a documentary film detailing alleged foreign holdings—primarily extravagant estates and commercial real estate—of the Marcos family and its political allies. According to Philippine press reports, the film is the largest selling video tape in the country. [redacted]

Putting the Left on Notice. As they try to stake out an alternative middle ground in domestic politics, the moderates are competing with some success—according to the US Embassy—for popular support with the

Communists. Although fairly closely allied with the radical left immediately following the Aquino assassination, we believe the moderates have become increasingly concerned over the danger the radicals pose and the need to emerge as a more distinct voice of dissent against Marcos. As such, the opposition has begun distancing itself from the National Democratic Front (NDF)—the political arm of the Communist Party of the Philippines (CPP). [redacted]

Earlier this year, for example, opposition spokesmen began warning of the threat posed by close association with the radical left—or “Riding the Tiger.” Other signs of growing chilliness between the moderates and the NDF include the walkout of key coalition figures—including founding members Butz Aquino, Jose Diokno, and activist nun Sister Christine Tan—from BAYAN's National Convention in May 1985 following strongarm tactics by NDF to dominate the group.⁴

[redacted] Cory Aquino's refusal to accommodate the left by changing the location of this year's 21 August rally from Makati to two locations closely identified with the radicals' often violent demonstrations—including Mendiola Bridge near the Presidential Palace—and Butz Aquino's explicit charge that the Communists were backing the rival demonstration are other examples of the moderates' growing distance from the radicals. [redacted]

Growing cooperation among the opposition also may be undercutting the Communists' organizational capabilities. Near unanimity among opposition assemblymen on participating in upcoming elections—in contrast to a split between pro- and anti-boycott camps in 1984—[redacted] divided the Communist leadership over the party's role in the balloting, including the issue of support for specific opposition candidates.⁵ According to the

⁴ BAYAN is a Communist-dominated umbrella coalition of radical, “cause-oriented” groups such as the Nationalist Alliance for Freedom, Justice, and Democracy. The CPP reportedly hopes that BAYAN will attract disaffected members of the moderate opposition. [redacted]

⁵ The NDF is reportedly still considering support for Butz Aquino—should he be named the opposition's presidential standard bearer. [redacted]

Secret

Secret

The Moderates on the Issues

It is difficult to predict the changes in domestic and foreign policy that might result if the moderates gained control of the government. A draft "minimum program of government" was released in July 1985 by the National Unification Committee (NUC), although it has not yet been officially endorsed. It includes calls for several proposals, such as ratification of a new constitution within the first 18 months of a new administration; abolition of agricultural, industrial, and commercial monopolies; adoption of a new land reform program; and the dismantling of presidential decrees. [redacted]

Beyond this, almost all opposition leaders have waffled on the future of the US facilities—Subic Bay Naval Base, Clark Air Base, and ancillary US facilities—and they occasionally make public statements against them in order to bolster their nationalist credentials. Although many believe the current compensation package is insufficient, most moderates, [redacted] concede that the benefits of the bases—including \$900 million in security assistance, jobs for approximately 80,000 Filipinos, over \$350 million in salaries, local procurements, and housing for US personnel, as well as the bases' contribution to regional security—justify their presence and offset any potential infringement of Philippine sovereignty. [redacted]

We believe even an opposition government sympathetic to the United States would continue to wrangle with Washington over a number of issues that featured prominently in the last round of negotiations in 1983. Former objectives have included arguments that Philippine criminal law should prevail inside the bases and a push for an annual—as opposed to a five-year—review of the bases agreement. In addition, Manila has in past negotiations proposed a variety of measures that would compromise unhampered US command and control of the facilities, including calls for almost total Philippine administration of the facilities and demands for Philippine management of war reserve stocks. [redacted]

The opposition has been particularly ambiguous on the question of economic reform. We believe a government controlled by the moderates would move to dismantle the monopolies and economic privileges of Marcos's closest allies—in particular those in the sugar and coconut industries—because of their effect on the economy and their high political profile. Similarly, we believe a mixture of conviction and political necessity would probably also result in attempts to redirect government expenditures to productive services in rural areas—such as agriculture and public works. The opposition might not be as reform minded on other issues, in our judgment. A more nationalistic orientation, for example, would likely prompt moves to "review" all international financial agreements—including the IMF program and debt rescheduling arrangements with foreign commercial bankers—with an eye toward further stretching out repayments on the \$26 billion foreign debt. An opposition successor government might also be even more resistant than Marcos to actions such as depreciating the peso—a move central to the IMF economic recovery program for the Philippines. [redacted]

Finally, we believe the moderates, out of political necessity, would support many of the goals of the military reform movement. We would expect to see the enforced retirement of senior officers and attempts to rebuild morale and professionalism in the officer corps. The moderates probably believe Marcos's absence alone would, at a minimum, slow the Communist insurgency's momentum and encourage many less committed recruits to return "from the hills." If they are right—and we believe they may be—this would give a new government time to set in place reforms, such as improving social services, cleaning up military abuses, and restoring economic growth, that would address the root causes of the insurgency. To our knowledge, however, the moderates have not developed a detailed plan for dealing with the Communist Party/New People's Army in the event that the insurgency continues to grow. [redacted]

25X1

25X1

25X1

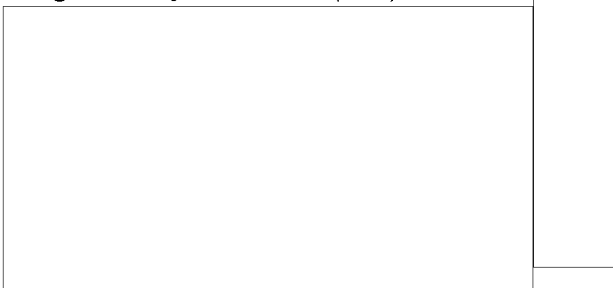
25X1

25X1
25X1

Secret

Secret

Embassy, BANDILA's efforts during college and university student council elections in August 1985, moreover, resulted in a routing of Communist-front League of Filipino Students (LFS) candidates.



... But a House Divided

Despite its revival, the moderate opposition's prospects are seriously undermined by internal weaknesses, most of which are related to its lack of unity and purpose—beyond ousting Marcos. These include suspicions that some opposition leaders have been co-opted by extremist groups on the right or the left and problems arising over uncertain leadership. To complicate matters, new internal divisions among almost all major opposition parties have surfaced over the past year:

- According to the US Embassy and numerous press reports, intensified rivalry between Liberal Party presidential hopefuls Eva Estrada Kalaw and Jovito Salonga erupted in October 1985 as a plan to unify the party by naming Judy Roxas party president failed, and both Kalaw and Salonga were elected president in separate meetings.
- PDP-LABAN has been wracked by a leadership feud between Aquilino Pimentel and Ramon Mitra, and charges of financial misconduct by other party officials.
- The Social Democratic Party (SDP), according to US Embassy and several press sources, has suffered similar internal bickering as leading players Francisco Tatad and Reuben Canoy alternately attempt to oust the other from the party. The SDP has been further weakened by charges of graft leveled at party Chairman Tatad by the Marcos government.

- The US Embassy has reported signs that the relatively stable UNIDO alliance may face a split should Salvador Laurel persist in his presidential bid in the face of a more popular opposition candidate. [redacted]

25X1

25X1 25X1

Suspicion within opposition ranks of leaders deemed too closely affiliated with either the Marcos government or the Communist left, in our judgment, has helped stymie unification efforts. Jose Diokno, for example, is considered by some moderates to be dangerously close to the Communists. According to US Embassy officials, many in the opposition view Laurel and Kalaw as "traditional" politicians brought up in the same political environment as Marcos and liable to fall into the same leadership pattern if elected to the presidency. At the same time, some of the "cause-oriented" (or ideological) politicians—like Butz Aquino—are viewed as opportunists who have jumped upon the opposition bandwagon without working their way up through the ranks. [redacted]

25X1

The most publicized of the opposition's internal difficulties is its inability to choose a single presidential candidate—or devise a method for doing so in the absence of a primary system. Opposition leaders who have made public their desire to run include UNIDO's Laurel (the only candidate thus far to be officially nominated), PDP-LABAN's Pimentel and Mitra, Liberal Party leaders Kalaw and Salonga, BANDILA's Butz Aquino, and Diokno. Many of the older politicians, such as Laurel, Kalaw, and Salonga, are bitter at having been denied the opportunity for national leadership since 1969—the last election prior to martial law—and fear that 1987 may be their last chance to run as viable contenders, according to the domestic press. For their part, we believe younger presidential aspirants view the 1987 poll as a political watershed for the Philippines and want to be at the helm directing national affairs in the immediate post-Marcos period. [redacted]

25X1

In our view, the opposition's difficulty in fashioning a national grassroots organization to compete with the

Secret

Election Maneuvering

Even before President Marcos's call in November 1985 for a snap election early next year, the moderates had already begun to prepare piecemeal for elections in 1986. The Aquino family, for example, is preparing to field strong candidates in mayoral races in at least three cities in Tarlac Province, according to US Embassy reporting, and the National Unification Committee is drawing up lists of provincial, municipal, and local candidates. [REDACTED]

For its part, the KBL is preparing for upcoming elections in earnest. Developments over the last several months suggest that Marcos is moving slowly to "stack the odds" in his favor rather than have to fight the public backlash to more overt last-minute election rigging. In May, Marcos appointed loyalist Victorino Savellano chairman of the powerful Commission on Elections (COMELEC)—which oversees polling and the tallying of election results. The three commissioners he named two months later have only modest credentials—according to the US Embassy—and are widely believed to be Marcos supporters. Most political observers believe that these political appointments reflect Marcos's determination to increase his influence over the election process in order to preempt a reoccurrence of the moderates' 1984 election successes. As such, we do not expect Marcos to name oppositionists to either of the two remaining vacancies, despite his current majority on COMELEC, and he may, in fact, leave these positions unfilled as he has in the past. [REDACTED]

Marcos's fear of being "surprised" by the opposition is also, we believe, behind his unwillingness to

reaccredit NAMFREL as the official poll watching organization for the 1986 elections. A KBL caucus in July, for example, resulted in proposals for changes in the election laws, including:

- Lifting the 1984 prohibition against having local officials act as poll watchers.
- Reversing another 1984 ruling to enable election inspectors to call police into polling stations.
- Granting COMELEC sole authority to decide which, if any, group to designate as the official poll watching organization.

For its part, COMELEC has been "busily strewing obstacles in NAMFREL's path," according to the US Embassy. COMELEC's chairman has drawn up a list of guidelines for NAMFREL—should it be accredited for 1986—including a requirement that NAMFREL submit a list of proposed poll watchers to COMELEC for its approval. [REDACTED]

We believe the prospects for relatively "free and fair" elections have also dimmed following the National Assembly's decision to hand the question of optional bloc voting to the President. In all likelihood, Marcos will approve the use of bloc voting—in which votes can be cast for parties rather than individual candidates—on the grounds that it is a help to illiterate voters and simplifies the tallying of election results. The opposition, however, claims that bloc voting will ease the ruling party's manipulation of election returns by simplifying the process of falsifying ballots. [REDACTED]

Secret

Secret

powerful KBL political machine is its most serious failing. BAYAN aspires to achieve this kind of unity, [] but has been unable to avoid factional power plays—particularly moves by the Communist Party's National Democratic Front to dominate the organization. Butz Aquino's more moderate organization, BANDILA—founded as an alternative to BAYAN—has also failed to provide a national base for the opposition although it has been fairly successful in the Manila area, according to US Embassy reporting. []

The principal cost of further organizational failure, in our view, is that the opposition will continue to be hampered in efforts to garner support in rural areas or to impress consequential political players—including sympathetic members of the business community—to financially commit to any particular party or individual. []

What Would It Take To Improve the Opposition's Fortunes?

The opposition's prospects would brighten most dramatically, in our view, with the emergence of a charismatic presidential challenger, especially if that comes in the context of a snap presidential election. The ground swell of support for Cory Aquino following Marcos's threat in August 1985 to advance the date of the presidential election underscores the attraction of a single moderate opposition candidate. In the wake of the outpouring of public support for Mrs. Aquino, many opposition hopefuls—including Kalaw and Pimentel—agreed to support her candidacy if she declared her willingness to run. The emergence of Cory Aquino as a likely opposition presidential standard bearer, in our view, is one of the most positive signs that the moderates could unite and beat Marcos in a relatively free contest.⁶ []

⁶ According to a variety of observers, including Makati Business Club leader Jaime Ongpin, Mrs. Aquino is in many respects the ideal candidate. She is strongly identified with her late husband—who has achieved near folklore status as a national martyr—and, as such, is almost immune to damaging criticism from either the Marcos camp or the radical left. Although unschooled as a politician, she has become an increasingly important player in opposition politics, particularly the unification efforts of the National Unification Committee (NUC) and the Convenor Group. And, unlike almost any other opposition politician, she has managed to remain virtually untainted by the political infighting of the past several years. Finally, we believe she is among the few moderates able to rival Marcos for nationwide name recognition. []

We remain pessimistic, however, that the opposition will settle the leadership issue well in advance of a presidential poll and believe the moderates' best hope for capturing the presidency in a snap election or in 1987 is for them to do well in the May 1986 local elections. A strong showing there would strengthen their grassroots organization and heighten their public profile and appeal. If moderates can increase their influence over local governments—they currently hold less than 20 percent of the country's governorships and mayoral positions—they will be in a better position to begin building support for their eventual presidential standard bearer. Fundraising activities for the presidential race would be enhanced and arrangements for local poll watching could begin. More moderate governors and mayors throughout the country also would reduce Marcos's ability to interfere with polling procedures, which the KBL has been known to compromise by enlisting local Constabulary and Army units. []

Continued cooperation among moderates on issues of high public concern, we believe, would also lessen the negative impact of the unresolved leadership dilemma. For example, opposition parliamentarians almost unanimously resisted the temptation to join a KBL-sponsored committee to examine US-Philippine relations—a move we believe Marcos hoped would divide the moderates as well as shore up the ruling party's nationalist credentials and send a warning signal to Washington. We believe they also have gained nationwide recognition for their dogged pursuit of the foreign wealth issue. The opposition is also moving ahead with its proposed "shadow cabinet," which we believe could help shape a public awareness of the moderates, provide a more focused tool for attacking Marcos, and present a clearer public image of an alternative government. []

The moderates must also intensify local organization efforts. Moves undertaken so far have paid clear dividends, in our judgment. With the support of the NUC, for example, the moderates have held several regional conferences over the last several months including one of over 200 opposition leaders in the

Secret

Secret

Visayas. Another in Central Luzon, led by Cory Aquino and Assemblywoman Cecilia Munoz-Palma, reportedly attracted 1,200 attendees. Individual candidates, notably Laurel, have also begun work in the provinces—a development that runs the risk of perpetuating rivalries between national leaders, but on balance would be a positive factor in improving opposition prospects in local elections [redacted]

What To Expect

It would be a mistake, in our view, to gauge the moderates' prospects solely by their organizational failings or the absence of a clearly defined leadership—misleading benchmarks in a political system long characterized by a dominant strongman. And despite the uncertainties, we believe a moderate-controlled government offers hope for restoring long-term stability to the Philippines. No successor government will be able to quickly develop the kind of personal and highly centralized power structure that Marcos has created over two decades. The necessary process of alliance building—particularly if the moderates come to power as part of a coalition government—will, in our view, require responsiveness to a wider domestic constituency than Marcos's small circle of allies. It will also increase pressure on the moderates to improve domestic conditions, and, we believe, would produce greater receptiveness to the recommendations for reform from the foreign community—including the United States, the IMF, and the World Bank. The result, in our view, is likely to be more broadly supported policies than those of the Marcos government—and thus more effective government. [redacted]

It is nevertheless clear that the moderates have a long way to go before they will be in a position to attempt to solve the Philippines' problems. In the absence of a charismatic leader, we believe the opposition will continue to flounder as elections approach. Gradual organizational gains by the National Unification Committee, the Convenor Group, and other groups within the opposition are likely to be eroded by continued infighting among the leading players. The lack of an election primary system will, we believe, keep the leadership question unresolved and will make it difficult to settle if the moderates are pushed to make a decision before the 1987 election. We believe

the moderates' inability to settle the issue was one of the reasons for Marcos's recent call for a snap election early in 1986. Until the moderates decide the leadership question, we expect to see a continuation of maneuvering among the leading contenders for the presidential nomination. [redacted]

In the event that the 1986 local elections do not demonstrably increase the opposition's share of mayoral positions and governorships—either because of its own shortcomings or because of blatant cheating by the ruling party—we believe a further polarization of the moderates and a realignment of at least some of them to the radical left is a possibility. Success in 1986, however, could act as a catalyst to the moderates—in much the same way that the Aquino assassination and the 1984 National Assembly elections buoyed their fortunes—even if the emergence of a single presidential candidate eludes the moderates. [redacted]

25X1

25X1

25X1

25X1

Secret

Page Denied

Secret

Secret